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# ANNUAL REPORT TO STOCKHOLDERS



1936

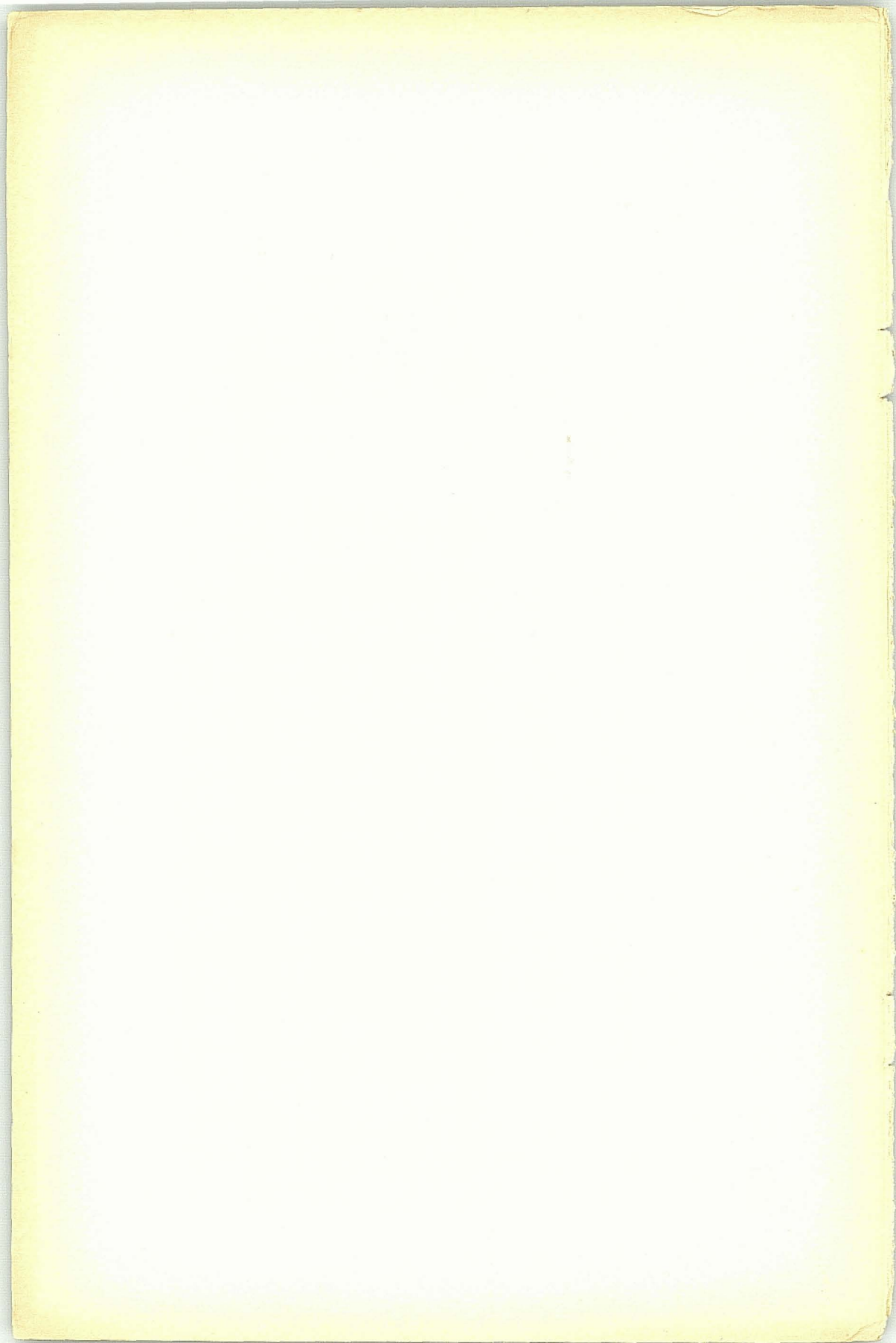
THE COCA-COLA COMPANY

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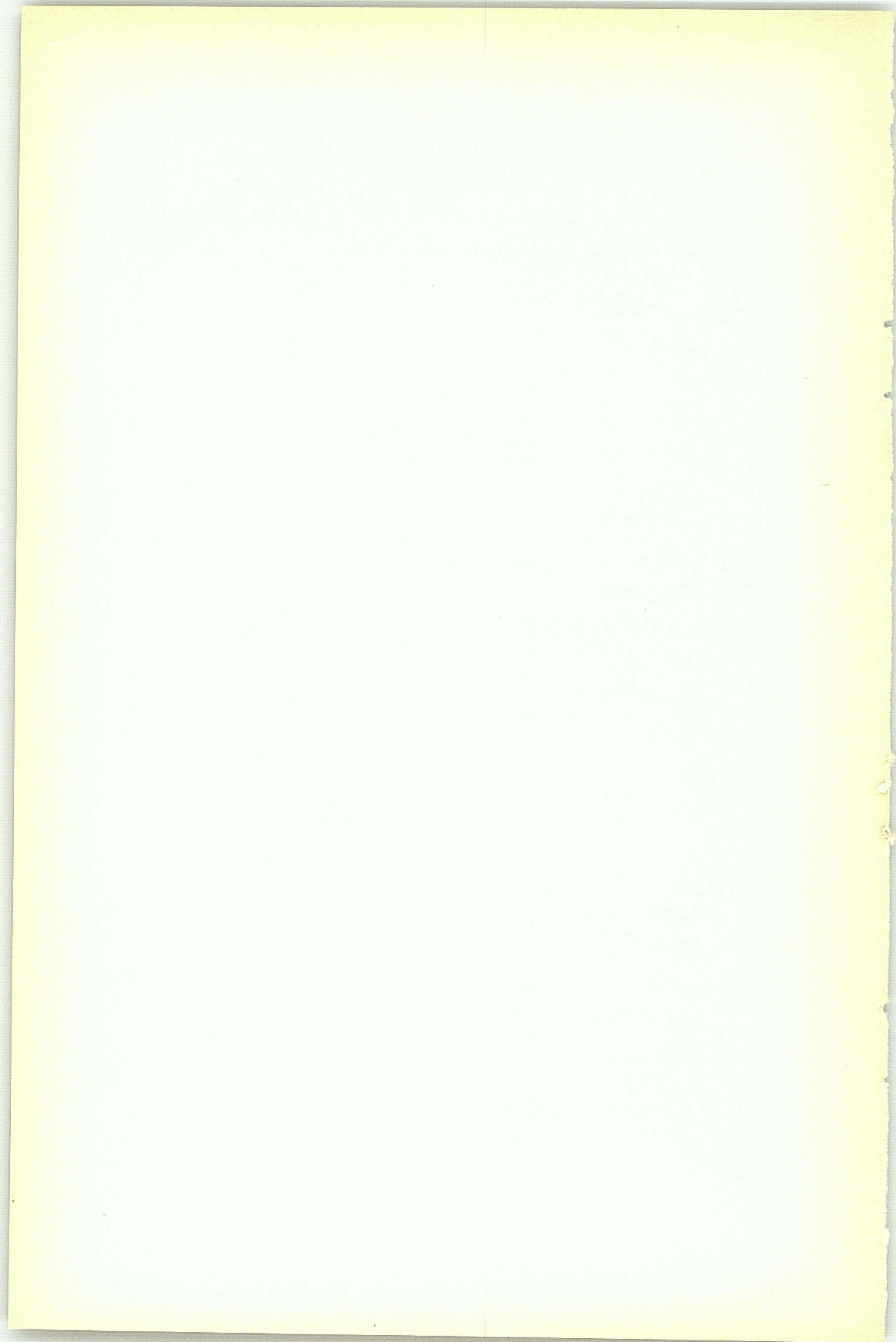


ANNUAL REPORT  
THE COCA-COLA COMPANY  
AND ITS SUBSIDIARIES

✱

FOR THE YEAR  
1936

APRIL 3, 1937



## THE COCA-COLA COMPANY

WILMINGTON, DELAWARE

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TO THE STOCKHOLDERS OF  
THE COCA-COLA COMPANY:

Submitted herewith is the consolidated balance sheet and statement of operations of The Coca-Cola Company and its subsidiaries for the year 1936. Net earnings applicable to the common stock after taxes, Class "A" dividends, additions to reserves and all charges, were \$18,598,078.54.

Manufacturing facilities are being enlarged to meet production requirements. Substantial inventories of raw materials have been maintained at relatively favorable prices. An intensified marketing campaign is being continued, including an advertising program at the highest level in the history of the Company.

In this initial year of its second half century, Coca-Cola experienced its greatest domestic consumption and broadest foreign development.

Respectfully submitted,

R. W. WOODRUFF,

*President.*

April 3, 1937.



# CONSOLIDATED THE COCA-COLA COMPANY AND ITS SUBSIDIARIES

December 31, 1934

## ASSETS

### CURRENT

Cash on deposit and placed on call . . .	\$ 9,868,977.48	
Government securities — At cost		
United States and Foreign—(Mar-		
ket value \$4,295,017.53) . . . . .	4,294,526.30	
Accounts receivable—Trade—(Less al-		
lowance of \$53,560.40) . . . . .	2,395,252.14	
Inventory—Merchandise including		
sugar stored in bonded warehouses—		
(Priced at lower of cost or market)	12,638,902.12	\$29,197,658.04

### OTHER ASSETS

Securities of affiliated Companies not		
consolidated—At cost . . . . .	\$ 138,410.34	
Accounts due from affiliated Companies		
not consolidated . . . . .	131,065.97	
Other investments—At cost . . . . .	85,195.07	
Miscellaneous other notes and accounts		
receivable . . . . .	469,200.33	823,871.71

### PERMANENT ASSETS—(At cost)

Land . . . . .	\$ 1,411,346.85	
Buildings . . . . .	5,688,812.87	
Machinery and equipment . . . . .	4,326,799.97	
Containers . . . . .	1,092,219.62	
	\$12,519,179.31	
Less: Allowance for depreciation . . .	5,069,407.28	7,449,772.03

### FORMULAE, TRADE-MARK AND GOODWILL—

At cost . . . . .	30,576,423.46
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DEFERRED CHARGES . . . . .	368,709.80
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\$68,416,435.04

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# BALANCE SHEET

## S WHOLLY OWNED SUBSIDIARIES

r 31, 1936

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### LIABILITIES

#### CURRENT

Accounts payable . . . . .	\$ 1,648,555.08	
Accrued expenses . . . . .	33,880.92	
Accrued taxes—Including income and capital stock taxes . . . . .	5,770,346.65	\$ 7,452,782.65

#### RESERVE

For contingencies and miscellaneous operations . . .	10,143,607.00
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#### CAPITAL STOCK

Class "A"—No par value:	
\$3.00 preference dividend cumulative	
Callable at \$52.50 per share	
Authorized and originally	
issued . . .	1,000,000 shares
Less: Retired . .	400,000 shares

Issued and out- standing . . .	600,000 shares	\$ 3,000,000.00
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Common—No par value:	
Authorized and is- sued . . . .	
4,000,000 shares	25,000,000.00
	<u>\$28,000,000.00</u>

SURPLUS—Earned . . . . .	23,009,578.45
	<u>\$51,009,578.45</u>

Less: Common stock owned by Com- pany—At cost—8,100 shares . . .	189,533.06	50,820,045.39
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\$68,416,435.04

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CONSOLIDATED STATEMENT OF INCOME AND EXPENSE  
THE COCA-COLA COMPANY AND ITS WHOLLY OWNED SUBSIDIARIES  
Year Ended December 31, 1936

GROSS PROFIT . . . . .		\$39,609,205.69
EXPENSES		
Selling, branch, administrative and general. . . . .	12,747,151.54	
OPERATING PROFIT . . . . .		<u>\$26,862,054.15</u>
Other deductions . . . . .	\$ 1,776,316.91	
Less: Other income . . . . .	327,341.30	<u>1,448,975.61</u>
PROFIT BEFORE INCOME TAXES . . . . .		\$25,413,078.54
Provision for income taxes (including \$207,000.00 surtax on undistributed profits) . . . . .		<u>5,015,000.00</u>
NET PROFIT . . . . .		<u><u>\$20,398,078.54</u></u>

(NOTE)—Provision of \$524,610.23 for depreciation was charged to manufacturing and other expenses. Other deductions include interest paid, \$22,219.63, and net additions of \$1,233,421.64 to reserve for contingencies and miscellaneous operations.

CONSOLIDATED SURPLUS ACCOUNT

BALANCE—December 31, 1935 . . . . .	\$20,379,099.91
Net profit for year ended December 31, 1936 . . . . .	20,398,078.54
	<u>\$40,777,178.45</u>

DEDUCTIONS

Dividends paid in cash:

CLASS "A":

June 30, 1936—\$1.50 per share	\$ 900,000.00	
Dec. 14, 1936—\$1.50 per share	900,000.00	\$ 1,800,000.00

COMMON:

Mar. 31, 1936—\$0.50 per share	\$ 2,000,000.00
June 30, 1936—\$0.50 per share	2,000,000.00
Sept. 29, 1936—\$0.50 per share	2,000,000.00
Dec. 14, 1936—\$0.50 per share	
regular, \$2.00 per share extra	10,000,000.00
	<u>\$16,000,000.00</u>

Less: Dividends on stock held by Company . . . . .	32,400.00	15,967,600.00
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TOTAL DIVIDENDS PAID . . . . . 17,767,600.00

BALANCE—DECEMBER 31, 1936 . . . . . \$23,009,578.45



## ERNST & ERNST

ACCOUNTANTS AND AUDITORS  
SYSTEM SERVICE

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March 1, 1937.

THE COCA-COLA COMPANY,  
Wilmington, Delaware.

We have made an examination of the Consolidated Balance Sheet of THE COCA-COLA COMPANY and its wholly owned subsidiaries as at December 31, 1936, and of the consolidated statements of income and surplus for the year ended that date. In connection therewith we examined or tested accounting records of the Company and of its domestic subsidiaries, together with other supporting evidence, and obtained information and explanations from officers and employees of these Companies; we also made a general review of the accounting methods and of the operating and income accounts for the year, but we did not make a detailed audit of the transactions. Statements were furnished us for the foreign subsidiaries certified by other independent auditors. Assets and liabilities in Canada and Cuba are stated, respectively, on a dollar for dollar, and a dollar for peso basis. Current assets and current liabilities of other foreign subsidiaries are included in the balance sheet at valuations based upon rates of exchange prevailing at the close of the year, the fixed assets being converted at the rates in effect on the dates investments were made in these companies.

In our opinion, based upon our examination and the statements of foreign subsidiaries above referred to, the accompanying consolidated balance sheet and related consolidated statements of income and surplus fairly present the consolidated financial position of the Company and its subsidiaries at December 31, 1936, and the consolidated results of operations for the year ended at that date. Further, it is our opinion that the statements have been prepared in accordance with accepted accounting principles and on a basis consistent with the preceding year.

ERNST & ERNST.

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## THE COCA-COLA COMPANY

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DIRECTORS	W. C. BRADLEY . . . . .	<i>Columbus, Ga.</i>
	J. B. CAMPBELL . . . . .	<i>Atlanta, Ga.</i>
	C. H. CANDLER . . . . .	<i>Atlanta, Ga.</i>
	W. C. D'ARCY . . . . .	<i>St. Louis, Mo.</i>
	S. C. DOBBS . . . . .	<i>Atlanta, Ga.</i>
	MRS. LETTIE P. EVANS . . . . .	<i>Hot Springs, Va.</i>
	EDWARD FINLAY . . . . .	<i>Chattanooga, Tenn.</i>
	T. K. GLENN . . . . .	<i>Atlanta, Ga.</i>
	HAROLD HIRSCH . . . . .	<i>Atlanta, Ga.</i>
	LINDSEY HOPKINS . . . . .	<i>Miami Beach, Fla.</i>
	J. P. ILLGES . . . . .	<i>Columbus, Ga.</i>
	WINSHIP NUNNALLY . . . . .	<i>Charlottesville, Va.</i>
	C. J. ROOT . . . . .	<i>Terre Haute, Ind.</i>
	E. W. STETSON . . . . .	<i>Greens Farms, Conn.</i>
	WALTER C. TEAGLE . . . . .	<i>New York, N. Y.</i>
	D. A. TURNER . . . . .	<i>Columbus, Ga.</i>
	C. A. WICKERSHAM . . . . .	<i>Atlanta, Ga.</i>
	GEO. W. WOODRUFF . . . . .	<i>Daytona Beach, Fla.</i>
	R. W. WOODRUFF . . . . .	<i>Wilmington, Del.</i>

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EXECUTIVE	W. C. BRADLEY	J. B. CAMPBELL	C. H. CANDLER
COMMITTEE	W. C. D'ARCY	T. K. GLENN	E. W. STETSON
	GEO. W. WOODRUFF	R. W. WOODRUFF	

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TRANSFER	WILMINGTON TRUST COMPANY . . .	<i>Wilmington, Delaware</i>
AGENTS	GUARANTY TRUST COMPANY OF NEW YORK .	<i>New York, N. Y.</i>

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REGISTRARS	EQUITABLE TRUST COMPANY . . . .	<i>Wilmington, Delaware</i>
	CHASE NATIONAL BANK . . . . .	<i>New York, N. Y.</i>

